

ECONOMIC MAN, HEROIC MAN *

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How a man arrives at a decision that will affect his future depends much on the kind of man he is. Economists like to suppose the only legitimate sort of decision-maker is an "economic man," a man who is tirelessly objective in response to a profit motive. But there are flaws in this imagined man that make his existence less likely than economists would like to suppose. Some of these flaws were suggested by Kenneth Boulding when he wrote:

"No man in his senses would want his daughter to marry an economic man, one who counted every cost and demanded every reward, was never afflicted with mad generosity or uncalculated love, and who never acted out of a sense of inner identity and indeed had no inner identity even if he was occasionally affected by carefully calculated considerations of benevolence or malevolence." (1)

Boulding saw in this dismal assumption about man a basis for much disenchantment about economics as a science, because such objectivity fails by far to explain the decision-making methods of man, let alone the nature of man himself.

So Boulding describes for us another kind of man, but reminds us he is a non-economic sort of man. He is a man whose existence is based on subscription to some "heroic ethic" in which "the decision-maker elects something, not because of the effects it will have, but because of what

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he is; that is, how he perceives his own identity." Here is a man whose identify is affected by generosity or love, and whose decisions do reflect his innermost needs and hopes. If need be, here is the sort of man who could exhaust himself, and with pride, on a thin and failing little farm or ranch. And when Boulding surveyed his warmly heroic man and his coldly economic man he summarized the two extremes; saying:

"My personal view is that, especially at his present stage of development, man requires both heroic and economic elements ... and the problem of maintaining them in proper balance and tension is one of the major problems of ... the individual and of societies. Economic man is a clod, heroic man is a fool, but somewhere between the clod and the fool, human man, if the expression may be pardoned, steers his tottering way." (1)

Human man: A man somewhere between the economic man who is a clod because he is not heroic and the heroic man who is a fool because he is not economic. The differences between us all, I suppose, could be described by our different positions in the spectrum that spans the two extremes. And all of us, with all our differences in these dimensions, populate the agricultural and the political landscape and affect their futures. Let us examine, now, how we are divided and how we are affecting the struggle between our economic and our heroic aspirations; even, perhaps, our cloddish and our foolish extremes.

I suggest this because I think it illustrates a basis for some inconsistencies in your concerns as Canadians and your abiding desires as cattlemen for a profitable enterprise. There always are conflicts between social and economic considerations. And commenting on them at all can quickly touch a tender spot; cause an easy bruise.

Recall the performance of Charles DeGaulle during that Canadian visit

when he offered French endorsement for separatist Quebec? He offended a lot of Canadians and shocked a lot of Americans. By coming in here and telling people their culture was more important than their country, he was meddling in matters of sovereignty and nationality, and that was judged to be bad behavior indeed.

But I wonder if we don't do the same thing, you and I, when we thump for freer agricultural trade. We might be saying business is more important than country. Would we really want to do that? Would it really be true?

I attended a purebred cattle sale down west of Calgary several years ago. The prices were impressive, but the attendance was even more impressive. Everybody who was anybody in the Charolais business was there; and I mean everybody from Edmonton to El Paso, and everybody from the Rocky Mountains to the Missouri River. They were all friends, brothers-in-the-bond; they all knew each other and there were no state or provincial or international boundaries. There was only sameness. There was no such thing as Alberta or Montana or Texas. There was no Canada, either, and no United States. Grand - heroic - ideas like country were buried entirely under a consuming interest in cattle. Or isn't that - really - quite the way it was?

Go East from Alberta and Montana and you find another agricultural love that spans the international border. It is the small-grain and oil-seed industry. It is the heart of National Farmers Union country, and NFU membership is widespread on both sides of the border. There is more difference between those cattlemen and those NFU members East and West than there is difference between Canadians and Americans North and South. And those grain producers and those cattlemen do not have widely different attitudes because someone is right and someone else is wrong. They have different attitudes because they have different problems.

Last year I was here in the Prairie provinces to attend two of the meat-grain interface seminars. The differences East and West, even in the prairies, buried a broad Canadian consensus beneath knowledge that a grain grower's income was a cattleman's cost.

If I was Canadian, and cared about it, I think that would worry me. I think Americans have a cohesive, common bond; a little trade with Canada hurts it not at all. But I have not in 20 years seen convincing evidence that Canadians have a common bond that is cohesive, and trading with America is no small thing. When you think about it, the economic similarities between the United States and Canada are so great that the conflict between Canadian economics and Canadian politics is severely tested. Canadian concern about U.S. economic influence is a favored national pre-occupation. Canadians fret about U.S. domination. Sometimes you call yourselves the 51st state. And in the Prairies Provinces you complain that you are held in colonial bondage by the big Eastern provinces.

On any one visit up here I may find the 51st state and resentment toward Americans. Then on the next trip everybody's ready for trade with Americans and resent the politicians who would prevent it.

Would you really run risks with Canadian identity for feer trade? What are you? Heroic men? Or Economic men?

Why don't we just pull the string out of the fabric; this artificial nonsense about an international boundary between two countries? Let's make one country out of it. It makes good economic sense. It makes good political sense, too. Instead of just sitting here fussing about the U.S. you could be down there in Washington doing something about it.

Now, consider it: You wouldn't be a 51st state. You'd be at least one state for each province, and each territory would be a potential state. For that matter, you could propose as many states as you want, and you would get good representation. You have 10 percent the population of the U.S. That means in Congress you would have 10 percent of the House of Representatives. But even better, each state gets two senators regardless of population and, with 10 states, you could have 20 percent of the Senate. You would have tremendous political clout compared to none, if you were just inside the United States instead of out of it. With representation like that, and with similar interests shared by a lot of low-population western agricultural states, you probably would get a lot better hearing in Washington than you ever had in Ottawa.

Let's reconstruct the British Empire! It was perhaps the greatest political and economic accomplishment in the history of mankind. Let's get all the Commonwealth Countries back together under one government. The idea of many sovereign nations in today's small world is obsolete anyway. Let's get England and Australia and New Zeland and Canada and all the rest and make one big nation out of it; put it all back together again. Just shift headquarters from London to Washington.

Now I should think a DeGaullian performance like this from me would be most offensive to all of you. It is, after all, universally considered unbecoming for a guest to give advice on the proper conduct of the household of the host. You are, after all, heroic men who love your country, are you not? You see, if you are offended, it is your heroic pride that takes offense. I have said nothing to offend your economic sensibilities

I have merely affirmed the Boulding observation that we have both heroic and economic dimensions, and I have worried that, particularly in

the Canadian setting, to advocate the ascendancy of either may be to court the decline of the other. I would not like to have to choose. But there are characteristics of Canada that would worry me if I were Canadian. And perhaps the main reason why I stand before you now is to specify to you some of the things I think should give you pause.

(1) One of the great and thoughtful authors and observers of the American history and development was an influential Harvard author named Bernard DeVoto. In one of his books he made what I thought was a remarkably insightful observation; he commented on how fortunate the United States was that its political, its economic, and its geographic boundaries were all the same (2). It was very conducive, he pointed out, to national unity, and he illustrated this advantage by comparing the United States to less fortunate countries obliged to labor under the burden of disparate geographic, economic and political boundaries.

Canada is one of those countries less fortunate than the United States in this respect. Political, geographic and economic boundaries do not neatly coincide. This causes problems. The problems corrode the national identity and erode the national unity. You see, what it amounts to, I think, is that where boundaries differ, the heroic-economic conflicts are more severe than where they are the same.

TWO: (2) Perhaps that is why there is not the sense of national unity in Canada that there is in the United States. From our side of the border it looks more and more like Canada is an idea and an argument. It is a debate surrounded by a loose confederation of thinly-populated provinces. In the United States there are fifty states and it is taken for granted in each state there there is a union; that they are unified, and that the bond is meaningful and the bond will hold. Nobody in all world could be

offensive to any one state without offending the other 49. Nobody may stake out even one remote Alaskan Island without having everybody, as far away as Florida, ready to raise a fuss about it. In contrast, in this loose confederation of provinces called Canada a province is very aware of its identity as a province and very willing to advocate the welfare of that province even at the expense, if necessary, of the other provinces. Here in the prairie provinces you constantly confirm the truth of this by your consistent desire for more trade with the states and your abiding suspicion that you are exploited by other provinces in the East. There is no place in the United States--no section and no state--that ever conveys such ill-will toward another state as southern Alberta repeatedly conveys toward Quebec. Yet I strongly suspect that if you in the West would listen to what Quebec is saying, if you would hear the substance of her complaint, you might find in it much that is the same as the substance of complaints heard in the West.

THREE: (3) There is a third difficulty in the matter of keeping Canada together. Generally, there is much similarity on each side of the border. Per capita income is about the same, consumption habits are much the same; lifestyles are the same; the monetary system is the same; government is democratic; the credit cards in your pocket or mine would serve about as well on either side of the border. But because everything is the same on a per capita basis, everything is 10 times larger on the U.S. side because the U.S. population is 10 times larger. Consequently, Canadians are extremely well informed about what's going on in the United States, but U.S. citizens are almost totally ignorant about what goes on in Canada. It occurs to me that this is true for two reasons. (a) The

first is that everyone--individuals and societies--in their concern for their survival, need to be informed about what's going on that could affect their future, the circumstances affecting their survival. In Canada you need to know what goes on in the U.S. because almost anything the U.S. economy does will affect the Canadian economy. It is ten times larger. But about the only thing Canada does to affect the U.S. economy is blow cold air at it, export hockey teams, and supply used Russian satellite parts. So, all the most Americans know about Canada is that's where cold weather and winning hockey comes from. They think it's full of trees and everybody has to shoot or catch his breakfast. A Lethbridge friend of mine was in South Carolina last summer. He took his car to a garage and the mechanics gathered round. They were curious about the umbilical cord hanging out of the grill. After it was explained, they asked him if many Canadians owned cars. When he said yes they asked him what they did with them. (All trees, you see, no roads; moose for breakfast every morning.) Last week when the satellite fell Edmonton was much in the news. There was some comment to me about it. I said I didn't think the satellite fell anywhere near Edmonton. How far they asked. Hundreds of miles, I said. Well maybe Edmonton was the nearest telephone, they decided. (b) A second reason why Canadians know the U.S. and the U.S. doesn't know Canada is because both educational systems in both countries, from grade one through college, depend a lot on American textbooks--full of American illustrations and American data and American examples. There is no way that an educated Canadian can avoid a knowledge of the United States. And by the same token there is almost no way an educated American can avoid ignorance about Canada. So American ignorance about Canada is embarrassing, and it is frustrating, and it is a legitimate basis for genuine Canadian resentment toward the United States. But, if not excusable,

the ignorance is understandable.

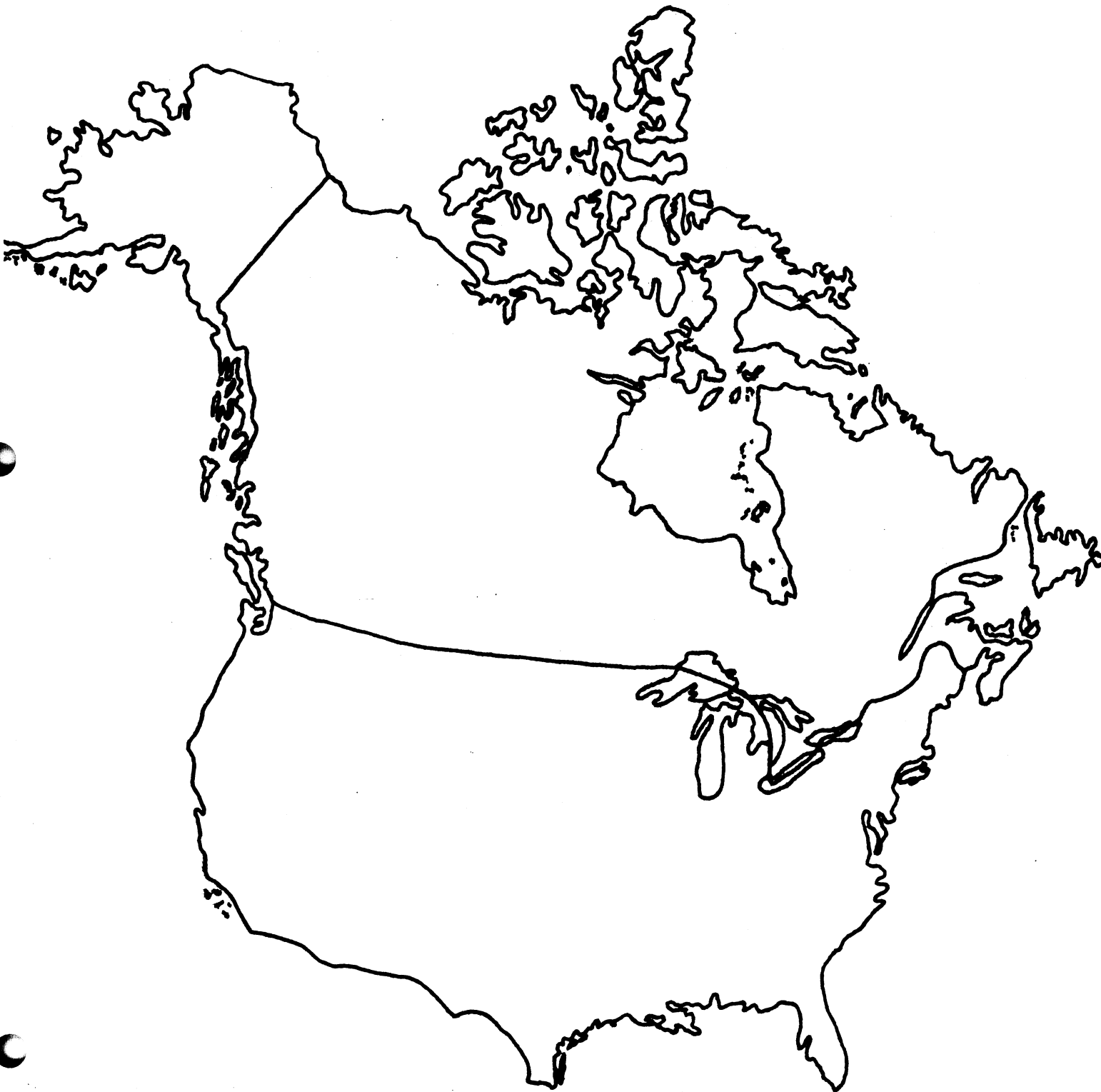
Now what is important is the punchline in this observation. It relates to your difficulties about keeping Canada in one piece. While Canadians understand the States, and Americans understand the States, who understands Canada? Americans don't. But the point is, neither do Canadians. The whole educational system has been devoted to educating everyone about the United States. Consequently, Canadians are not nearly as well informed about Canada as Americans are informed about the United States. If you care about a unified Canada perhaps you might work a bit harder learning how it works and what it takes.

I don't think you can afford the luxury of taking potshots at Canadians who speak French. I don't think you can afford the luxury of fretting about colonial bondage to Eastern provinces. I don't think you can afford the luxury of accounting your trade with States only in dollars. I don't think the prairies can afford the luxury of residting rail line abandonment; you can afford nothing less than first-class freight systems. I don't think you can afford the luxury of throwing rocks at each other about Crowsnest Rates. Not if you really care about a viable, unified Canada in a very competitive international environment.

FOUR: (4) I think there is a fourth difficulty in preserving and nourishing Canada (Slide 1). A map of Canada gives a very distorted, very misleading notion of what Canada is all about. The map shows a huge piece of real estate; more square miles than all 50 states. But that is such an unimportant piece of information that anyone who attaches any importance to it has allowed his mind to be entranced away from facts of

COMPARATIVE SIZE OF UNITED STATES AND CANADA IN LAND AREA,

APRIL 1970



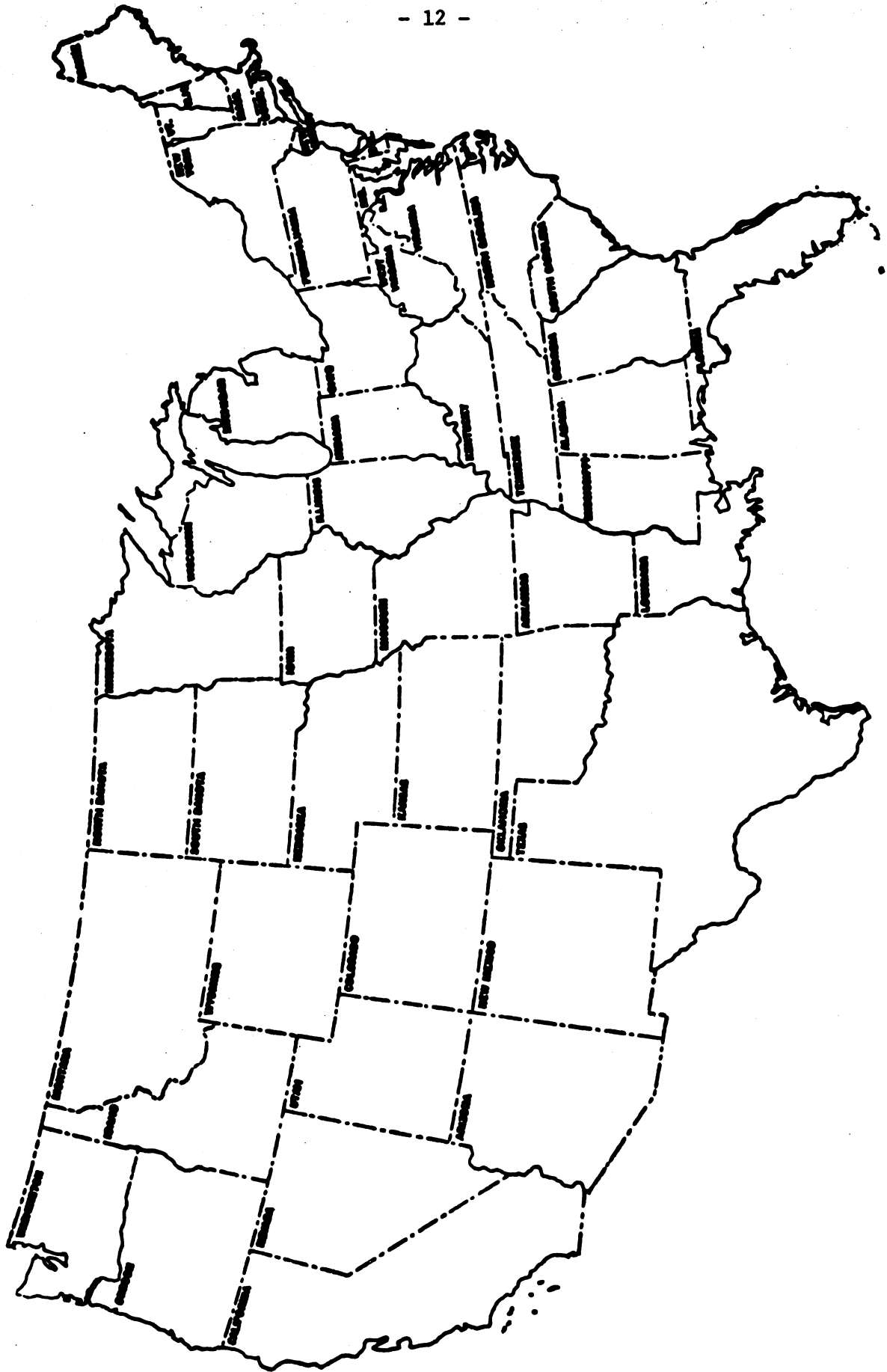
Canadian survival that are critically important. Remember, your political, economic, and geographic boundaries are not the same. What counts is where the people and their accomplishments are. And where are they? Compared to the geographic magnitude of the country, everything that counts is all packed down along the southern edge, next to the U.S. border. As the moon is held by the gravity of earth, or iron filings are held by a magnet, so the Canadian economy is clutched by the gravity of the immensely larger economy below the border.

Hence we need look again at our maps of North America. Here's a familiar one (Slide 2A), but it's deceiving, too. Let's look again (Slide 2). Here is a computerized map with each state allotted space area exactly proportional to their population. The map is proportionally accurate to within one-tenth of one percent. It is prepared by the Ohio Bureau of Employment Services. Notice how our minds suddenly reconsider our understanding of the United States. Look at these "Little" Eastern states. What happened to those comfortable "big" Western State?

How might such a map cause us to reconsider Canada? It would remind us, for example, that only one-fourth of one percent of Canadian population is found in the vastness of the territories. There are only 53,000 people in all that space and its area would be reduced to a mere speck in a map like this. Moreover, such a map would remind us that Canadian population is only 10.6 percent the population of the United States. Let's have a look at such a map. (Table 1, Slide 3)

Here is a map of the United States and Canada in proportion to their respective populations. British Columbia is about the size of Oregon, or Iowa, or Mississippi. Alberta is the size of Arizona. Saskatchewan is equal to Rhode Island. Manitoba compares to Maine. Ontario is twice

COMPARATIVE SIZE OF UNITED STATES IN LAND AREA, APRIL 1970



the size of Maryland. It is the largest province and contains nearly 36% of your population. Quebec is second-largest with nearly 30% of the nation's population. It is about twice the size of Connecticut. All the Maritimes combined are about equal in size to Colorado, and Colorado is no longer large.

So if you draw a line around the bulk of Canadian people and the Canadian accomplishment, the map of Canada shows a country that looks like a lone green bean stretched along the north side of the U.S. border (Slide 4). Canada is an East-West country. And it is to the support of these boundaries that I should think your economy must conform. An East-West political identity requires East-West economic activity to sustain it.

FIVE: (5) There is yet another difficulty. The long, thin, East-West shape of Canada is not of one piece. The green bean is sliced in many parts. It is sliced by geography, by climate, by culture and, consequently, even by politics. Consider the East-West continuity of Canada or, rather, that lack of it. It looks like this (Slide 5). It is broken once by the Rocky Mountains. British Columbia shares little with the prairie provinces. It is broken again, broken emphatically, where the tree-line crosses the international boundary. This is not the end of trees. It is the beginning of trees and the end of economics. This happens not too far east of Winnipeg. I think of the tree-line as a sort of constant-climate line; it is the edge of agriculture and the beginning of grim wilderness; particularly so in winter months. It extends diagonally southeast across the continent, bisecting the boundary and cutting through the upper peninsula of Michigan and then into Ontario. It cuts the prairie provinces off from anything to the east. It sharply defines the

Slide 2

UNITED STATES PROPORTIONATE TO POPULATION, APRIL 1, 1970

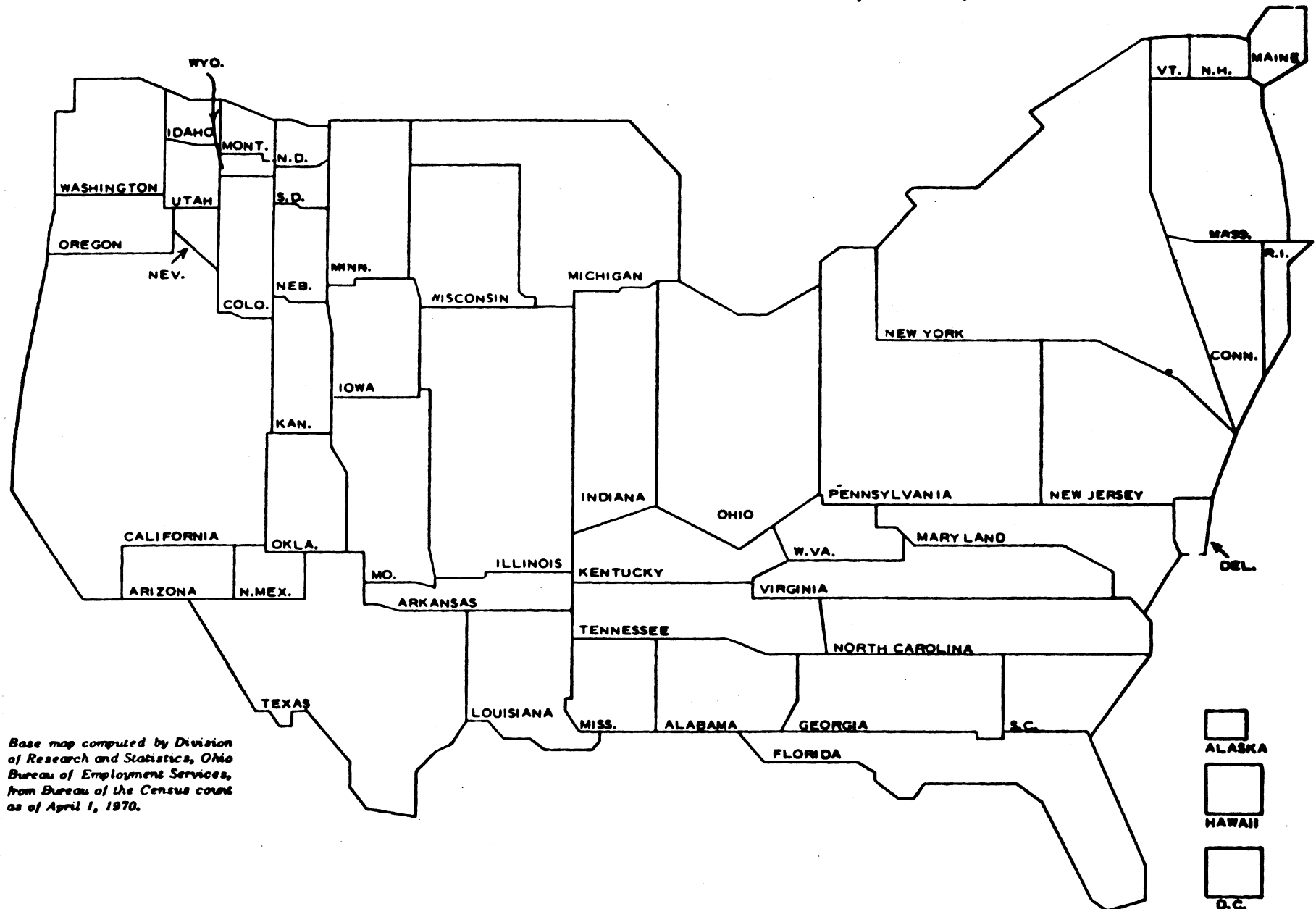


Table 1: Canadian Population, Percentage Distribution and Population by Provinces and Territories, U. S. States of Approximate Equal Population, and Canadian Population as a Percent of United States Population, Census, 1970.

Province or Territory	Canadian Population		States of Comparable Population
	Number	Percent	
All Maritimes ^{a/}	2,057,262	9.54	Colorado
Quebec	6,027,764	27.95	Connecticut x 2
Ontario	7,703,106	35.71	Maryland x 2
Manitoba	988,247	4.58	Maine
Saskatchewan	926,242	4.29	Rhode Island
Alberta	1,627,874	7.55	Arizona
British Columbia	2,184,621	10.13	Oregon, Iowa, Mississippi
Territories ^{b/}	53,195	0.25	--
Canada	21,568,311	100.00	As percent of total U. S. - 10.62 pct.

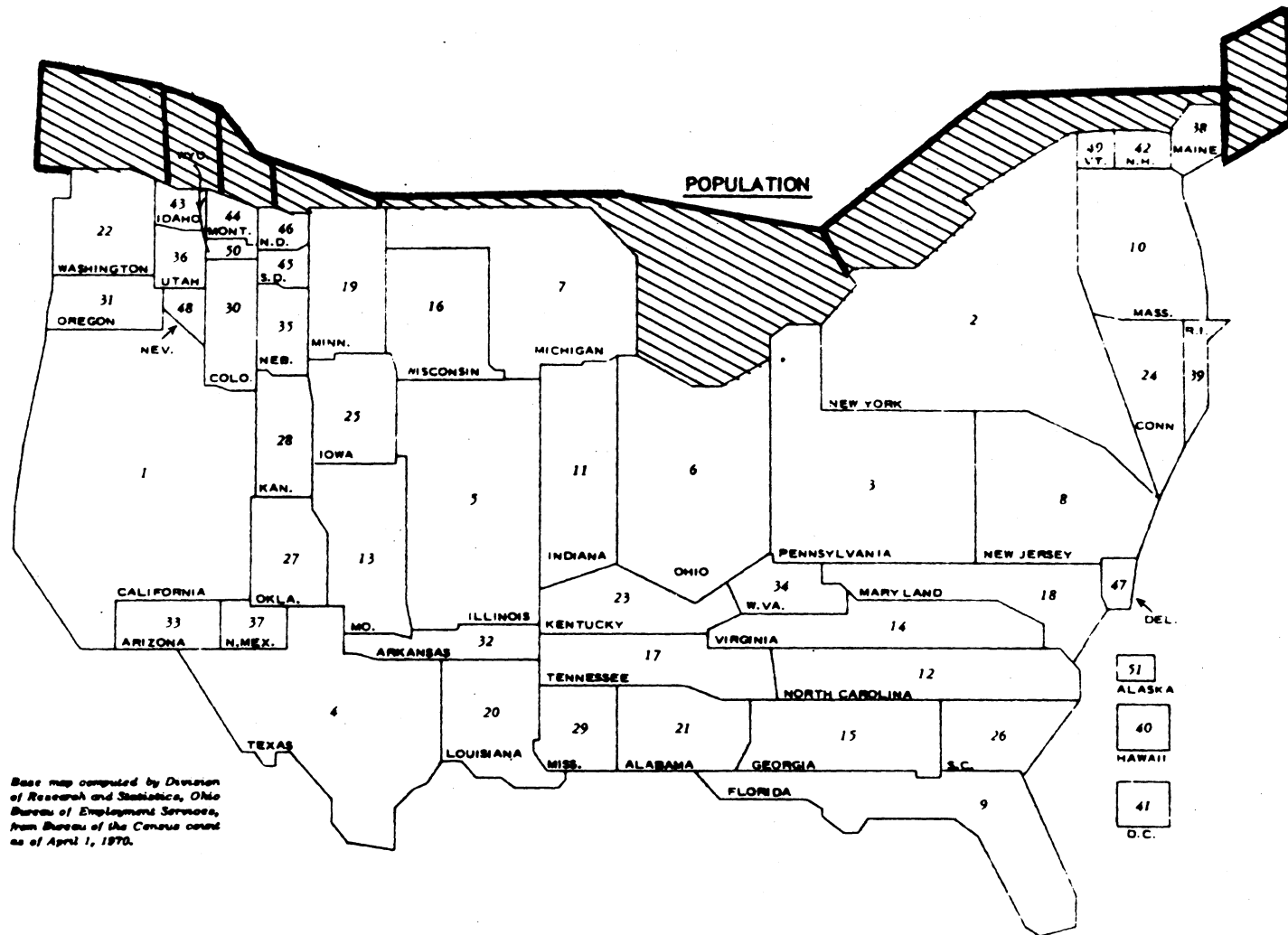
^{a/} Combines New Brunswick, Newfoundland, Nova Scotia, and Prince Edward Island.

^{b/} Combines Yukon and Northwest Territories

Source: Based on Census data as found in Rand McNally Road Atlas, 52nd Annual Edition, Rand McNally and Co., Chicago, 1976.

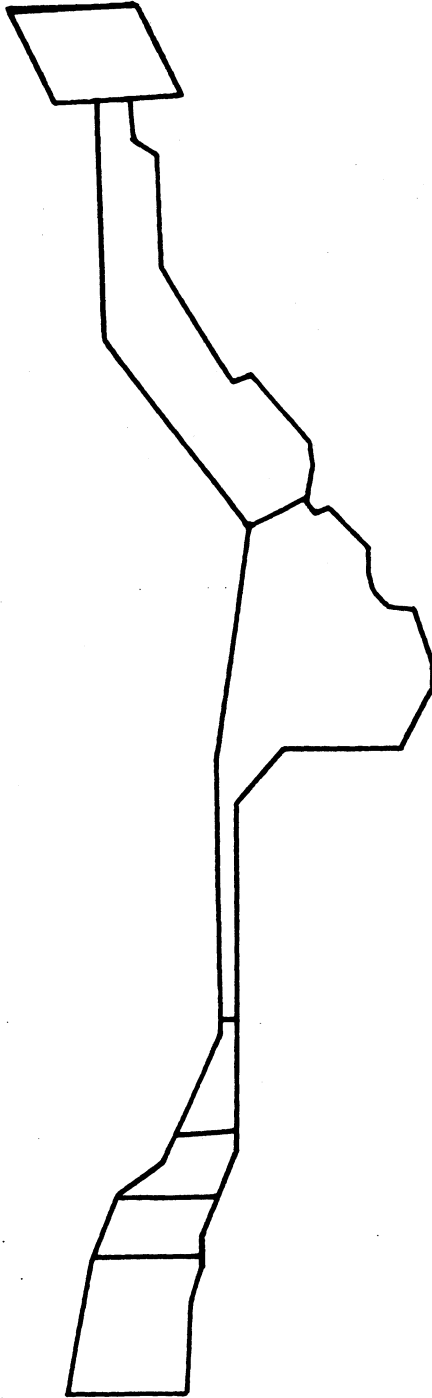
Slide 3

UNITED STATES AND CANADA PROPORTIONATE TO POPULATION, 1970



Slide 4

**CANADA PROPORTIONATE TO POPULATION
APRIL 1970**



eastern edge of the West. Through the Lake Superior country the vastness of Canada, East and West, is held together through hundreds of miles of wilderness by the thinnest of economic strands; of railway and highway and airlines and shipping and communication cable. Further to the east Canada is cut again by the cultural uniqueness of Quebec, and to the east of Quebec there is another barrier created partly by distinctive cultural differences in Quebec and the Maritimes and partly by the saltwater itself.

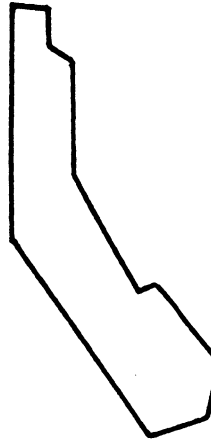
To have unity at all, because of where the people live, Canada is an East-West country. But to maintain any East-West unity at all is to overcome imposing geographic and political obstacles.

SIX: Given the gravitational pull of the U.S. economy, North-South trade is natural, and much of it occurs. But perhaps it carries with it an unaffordable political cost to the national identity of Canada. (I am led by these thoughts to suppose again that if you want more trade, and yet you would protect your Canada, then let the Americans ask for the trade and let Canada bargain judiciously. Bargain for assistance in overcoming your difficulties; not just for enhancing your advantages.)

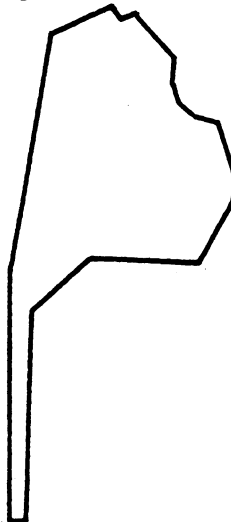
To further encourage that cumbersome and unnatural East-West trade pattern of Canadian commerce, certain tariff and non-tariff restrictions exist at the border. Sometimes you complain about unreasonable of U.S. border restrictions that prevent a freer North-South trade. Yet you know that however senseless they may seem, there are people in the States who think the barriers serve a useful purpose. But perhaps I should suggest something that might not have occurred to you: Don't you suppose there are people in Ottawa also who think those U.S. border barriers



CULTURE



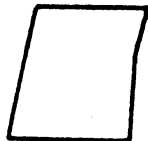
CULTURE



TREE LINE



ROCKY MOUNTAINS



serve a very useful purpose and might even encourage them by reciprocity? Surely there would have to be, and the more unidentifiable they are, the more effective the barriers remain. After all, anyone who is entrusted by office with, and devoted to the political preservation of Canada, and aware that an East-West trade flow supports that devotion, would be quietly content that devices exist which dampen the constant temptation for more North-South trade, all of which further damages the East-West unity of Canada. Look. (Slide 6).

So, yes, I can see that Crow Rates have caused a problem in the prairies. They have made prairie grain prices artificially high and they have made livestock prices comparatively low; and feeding in the East becomes more attractive while feeding in the West becomes less. And things move East. In return you get agricultural supplies, farm machinery and other finished products shipped back West to you.

This is an ancient economic idea. It is called Mercantilism. It fostered the Age of Discovery. It was the economic rationale for centuries of New World discovery, followed by centuries of worldwide colonialism: import raw products from the colonies, discourage colonial industry, and ship finished products back to the colonies. The consequence was a favorable balance of trade and the accumulation of wealth at the heart of the Empire. But the point is this: There were empires. Mercantilism, it can be said, is with us yet today. It preserves an empire still. The empire is call Canada.

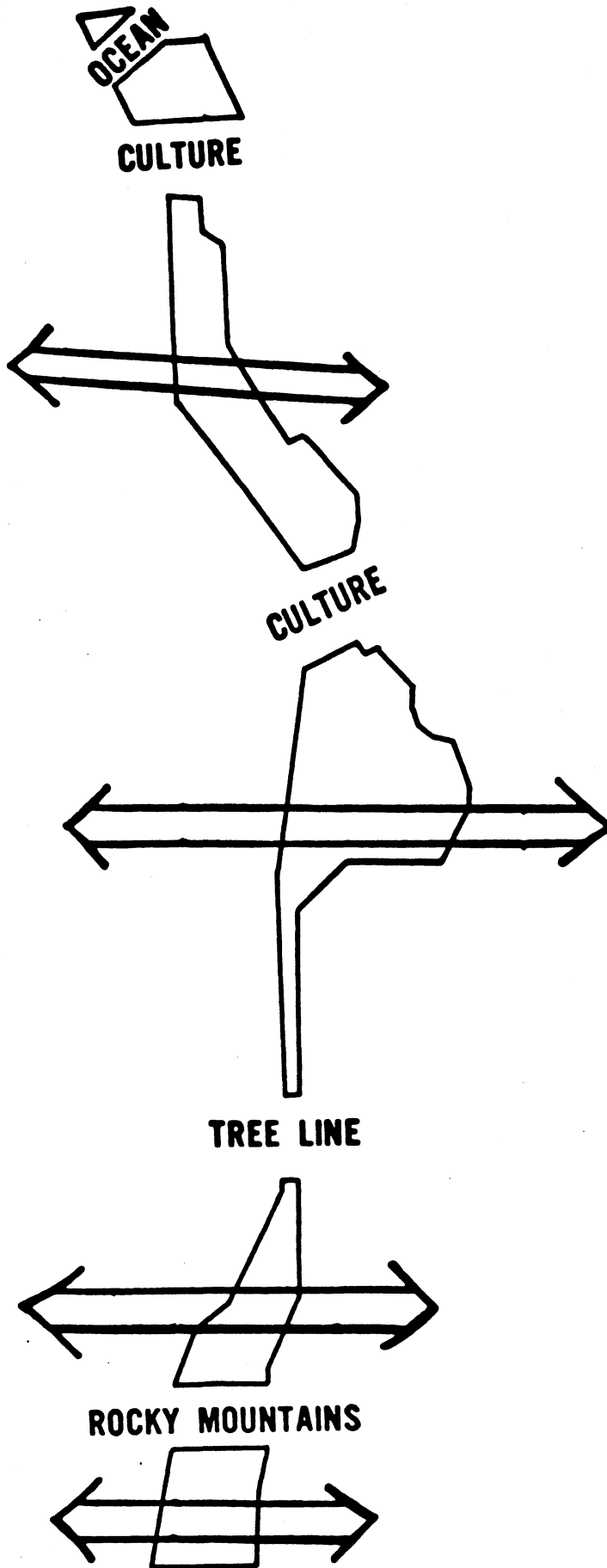
Yes, the prairie provinces are colonies. Yes, East-West trade is and economic oddity. But political priorities are enhancing political unity with not just the support, but also the pride of the great majority of those affected.

So, your problems in the prairie provinces are really not Canadian problems at all. In the name of Canada, which is a paramount and heroic consideration, the problem is maintaining the heroic and economic integrity of a remarkable heroic accomplishment. And one solution to that problem is East-West trade. In this larger and more important perspective, the solution creates a troublesome inconvenience in the prairie provinces. But the difficulties are the consequence of something larger. They are a measure of the economic price that is paid for the preservation of a heroic preference so important that it is paramount.

So. It appears that, because of geographic political and economic boundaries that are disparate, you are, between your heroic and your economic aspirations, being forever obliged to choose.

I hope you are forever wise.

Slide 6



NORTH-SOUTH ECONOMIC TRADE

REFERENCES

- (1) Boulding, Kenneth E., "Economics as a Moral Science," American Economic Review, Vol. LIX, No. 1, March, 1969.
- (2) DeVoto, Bernard, Year of Decision: 1846, Houghton-Mifflin Company, Boston, Sentry Edition, 1961.